

# JOURNAL

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Columbia River at The Dalles, Oregon

photo by Katie Leonard

## BPA issues new power rates

BPA's new power rates, issued May 15, reflect groundbreaking policy decisions while offering benefits for all BPA's customer classes, constituents and interest groups.

Administrator Judi Johansen said, "We are keeping rates stable, we're meeting our fish obligations, and we're keeping our commitments to renewable energy and conservation, all while maintaining our ability to make our Treasury payments on time and in full for the next five years."

The final rates package includes an average priority firm power rate that is about the same as BPA's 1996 rate. Keeping power rates stable was a prime objective of the rates process. Each BPA customer selects different power products and services and uses its power purchases at different times of the year, so actual rates will vary by customer.

Crafting a package that provides something for everyone while preserving the federal system's financial integrity was a balancing act, Johansen said. "Completely satisfying everyone is impossible," she said. "But these rates spread the benefits broadly and fairly."

BPA's rates have to be reviewed by the Federal Energy Regulatory Commission, which looks at BPA's rates to ensure they will adequately recover the agency's costs. In the meantime, BPA and more than 100 utility customers will begin to negotiate new power sales agreements. The subscription window to sign new contracts closes on Sept. 30. The term of the contracts will range from three to 10 years. When approved, the rates will take effect Oct. 1, 2001. A separate rate proceeding is underway to establish BPA's transmission service.

View the 1,000-page record of decision at BPA's power rate case Web site: [www.bpa.gov/power/ratecase](http://www.bpa.gov/power/ratecase)





## Customers benefit from new rates

In the new power rates, public power customers will continue to receive substantial benefit through their preference rights to cost-based priority firm federal power. These customers are forecast to buy the majority of BPA's power.

Residential and small farm consumers of private utilities are big winners in the new rates. BPA is planning to offer its Northwest private utility customers a total of 1,900 average megawatts in power and financial benefits at a price equal to priority firm power. If they accept the offer, private utilities will pass along to their residential and small farm customers total rate benefits of about \$147 million per year, double the benefits they have received in the last five years.

BPA's direct-service industrial customers will be eligible to purchase 1,440 average megawatts of power at a cost-based industrial rate. They will also have the option to select a variable rate tied to the price of aluminum, which will help them survive in a competitive worldwide aluminum industry.

Conservation and renewable resource incentives are included for both industrial and utility customers.

## BPA will fund weatherization in low-income homes

BPA will include \$3 million in funding each year from 2002-2006 to weatherize low-income homes as part of the power rates record of decision. The funds will be distributed through local community action agencies. BPA has funded low-income weatherization through Northwest states and community action programs for the last four years at about \$2.75 million a year. In the initial power rate proposal for 2002-2006, BPA had suggested incorporating low-income weatherization activities under the conservation and renewables discount. BPA changed direction in the final power rates record of decision because state organizations have proven successful not only with weatherization but also in diversifying their funding with dollars from state, federal and other programs.

## TBL closes out public budget process

BPA Administrator Judi Johansen closed out a public budget review process the Transmission Business Line

(TBL) began in November 1999. She plans to deliver in early June a letter to customers and participants along with documentation describing the process, which set expense, capital and fiber optic budgets for fiscal years 2002-2003.

TBL significantly cut its capital and expense spending over the past five years. But TBL demonstrated at public workshops that issues facing the transmission industry will require more spending. During those five years, the TBL cut back on transmission upgrades and expansions, and relied on technology to exploit the existing margin in the transmission system. Due to growth and open access, that margin is now gone and the TBL must look at ways in the coming years to bolster transmission in order to maintain a sufficiently reliable system.


Factors driving budget increases are regional load growth, a heightened and mandated level of transmission reliability, costs of separating the power merchant function from transmission, transfer of generation input costs for ancillary services from the Power Business Line to TBL customers, succession planning due to anticipated retirements over the next five years and mandated payments into the Civil Service retirement account.

Information derived from customers helped the TBL set the budget that was included in TBL's initial rate proposal in March. A tentative settlement of that rate case was reached May 3, pending the successful outcome of a process that describes the terms and conditions of transmission service.

The administrator's letter, along with specific information on expense, capital and fiber issues will be available on the Internet at TBL's Web site [http://www.transmission.bpa.gov/tbl/lib/newsevents/relia\\_future.htm](http://www.transmission.bpa.gov/tbl/lib/newsevents/relia_future.htm) once the material has been sent to customers and other participants of the public process.

## BPA and the RTO

In December 1999, the Federal Energy Regulatory Commission (FERC) issued Order 2000, which encourages the formation of regional transmission organizations (RTOs). The goal of that order is to promote efficiency in the wholesale electricity marketplace and to ensure that consumers pay the



lowest price possible for reliable service. The order also required utilities to file RTO proposals with FERC by Oct. 15, 2000, with the RTOs to be fully operating by Dec. 15, 2001.

FERC encouraged the federal power marketing administrations (PMAs), including BPA, to participate in RTO development. In response, on May 16, the U.S. Department of Energy directed the PMAs to participate in the development of RTOs and to file with FERC by the Oct. 15 deadline. BPA has begun working collaboratively with several Pacific Northwest transmission companies to form an RTO. The parties have reached consensus on the structure of "RTO West," developed a set of RTO principles, established an RTO Collaborative Process Plan and clarified roles, responsibilities and process.

Interested regional parties are included in the RTO West Regional Representatives Group, which is charged with reviewing and discussing issues to achieve consensus. They are also part of the work groups that are being formed to address specific technical issues. In addition, a series of RTO regional workshops are planned to encourage broader participation in the development of RTO West and to receive input.

BPA's Business Plan Environmental Impact Statement (EIS) analyzed potential environmental impacts associated with participation in an RTO-like organization. Consistent with the strategy documented in the Business Plan Record of Decision (ROD), BPA will review the EIS and determine whether the environmental impacts are adequately analyzed. After incorporating information received during the public process associated with the RTO, BPA will prepare a ROD explaining any decision on joining the RTO and how the Business Plan EIS contributed to that decision.

### **5(b)9(c) policy ROD is available**

On May 24, BPA released the administrator's record of decision (ROD) on the "Policy on Determining Net Requirements of Pacific Northwest Utility Customers Under Sections 5(b)(1) and 9(c) of the Northwest Power Act." This policy pertains to the amount of federal power a customer may purchase under a BPA subscription power sales contract under sections 5(b) and 9(c) of

the Northwest Power Act. In May of 1999 and again in October, BPA published a Federal Register Notice seeking comments on the draft proposal. Copies of both documents (the final policy released on March 16 and the Record of Decision released on May 24) are available on BPA's subscription Web site at <http://www.bpa.gov/Power/PL/Subscription/announcements.shtml>. You may also obtain copies by contacting your BPA account executive or by calling BPA's Public Information Office at 1(800) 622-4520.

### **BPA, SeaWest bring more renewable energy to the Northwest**

BPA and wind power developer SeaWest WindPower, Inc. recently announced a 20-year power purchase agreement that will supply the federal agency with an additional 16.8 megawatts of wind energy from the Foote Creek IV project. SeaWest will install 28 new turbines at the Foote Creek Rim site in Carbon County, Wyo., to support the agreement.

Over the past three years, SeaWest has developed three utility scale projects on the Foote Creek Rim Site. It is considered one of the finest documented wind sites in the contiguous United States. With the completion of this project, the Foote Creek Rim site will have a total installed capacity of 84.8 megawatts. Foote Creek IV is the latest wind energy project developed by SeaWest on the site. Construction began in May 2000 and the project could be on line as early as October 2000. With the addition of the Foote Creek IV project, SeaWest will supply BPA with enough power for 7,000 homes, with a total capacity of 18.8 megawatts from 31 turbines.

### **New technologies conference**

About 40 exhibitors will display the latest information on renewables, energy efficiency, fuel cells and other sources of distributed power at a conference Aug. 2 to 4 in Portland, Ore. The conference is sponsored by BPA, the U.S. Department of Energy and U.S. Representative Greg Walden (R-Ore.), co-chair of the Congressional Renewable Energy Caucus. Visit the Web site at [http://www.bpa.gov/Corporate/KCC/electric\\_rev2/conference.htm](http://www.bpa.gov/Corporate/KCC/electric_rev2/conference.htm) for more information.

# PUBLIC INVOLVEMENT

## STATUS REPORTS

**Big Eddy-Ostrander Vegetation Management.** Ore. — To control vegetation on two segments of the 500-kV transmission line right-of-way. One segment is from Lolo Pass to near Parkdale. The other segment is east of Parkdale. An EA is being prepared. Call to be added to the mail list.

**Coeur d'Alene Tribe (CDA) Trout Production Facility Project.** Idaho — To fund the design, construction, operations and maintenance of the facility to help meet the need for off-site mitigation for losses on the mainstem Columbia River. A preliminary EA will be available in early June at [www.efw.bpa.gov](http://www.efw.bpa.gov) or call to receive a copy.

**Fish and Wildlife Implementation Plan.** Regionwide — To examine the impacts that may arise from implementing one of the fish and wildlife policy directions being considered in the ongoing regional processes. An EIS is being prepared. Call to be added to the mail list.

**Fourmile Hill Geothermal Development Project (Calpine).** No. Calif. — A geothermal power plant and new transmission line have been proposed on U.S. Forest Service land in the Klamath and Modoc forests. BLM has the lead. BPA is a cooperating agency. A final EIS and summary are available. Call to receive a copy.

**IDFG Snake River Chinook Captive Rearing.** Idaho — To fund Idaho Department of Fish and Game's captive rearing project for Endangered Species Act-listed Snake River spring/summer chinook salmon. The EA is being finalized. A FONSI is anticipated. Call to be added to the mail list.

**Johnson Creek Artificial Propagation Enhancement.** Idaho — Development of a native chinook salmon broodstock for rearing of acclimated smolts to preserve and recover the population. An EA is being prepared. Call to be added to the mail list.

**Kangley-Echo Lake Transmission Line Project.** Wash. — To build a 500-kV transmission line in central King County that would connect an existing transmission line near the community of Kangley into the Echo Lake Substation. An EIS is being prepared. Call to be added to the mail list.

**Northwest Regional Power Facility.** Wash. — To construct a combustion turbine near Creston. The final EIS (#2887) and a supplement analysis are available. Call to receive a copy.

**Shelton-Kitsap Transmission Rebuild.** Wash. — To rebuild a 31-mile 115-kV transmission line between Shelton and Kitsap substations as a double circuit 230-kV line within the existing right-of-way. An EA is being prepared. Call to be added to list.

**NEW! Stateline Wind Project.** Wash. and Ore. — To acquire up to 300 megawatts of electricity from the proposed Stateline Wind Project. An EIS is being prepared on the wind project and its associated transmission. Call to be added to the mail list. See Calendar of Events and Close of Comment.

**Tanner Electric Transmission Line.** Wash. — To build a 4.5 mile transmission line that would tie a new substation, proposed by Tanner Electric Cooperative, into an existing transmission line (owned by Puget Sound Energy). The preliminary EA is available on the Web at [www.efw.bpa.gov](http://www.efw.bpa.gov) or call to receive a copy. See Close of Comment.

**Telephone Flats Geothermal Project (CalEnergy).** No. Calif. — A geothermal power plant and new transmission line have been proposed on U.S. Forest Service land in the Modoc Forest. BLM has the lead. BPA is a cooperating agency. The final EIS (#0298) and summary are available. Call to receive a copy.

**Tucannon River Spring Chinook Captive Broodstock Program.** Wash. — To rear and spawn broodstock, raise their progeny and release smolts into the Tucannon River to quickly rebuild the run. BPA has decided to fund this project. The EA and a FONSI are available on the Web at [www.efw.bpa.gov](http://www.efw.bpa.gov) or call to receive a copy.

**Vegetation Management Program.** Regionwide — To develop a vegetation management program while maintaining a safe and reliable transmission system. The final EIS will be available in early June on the Web at [www.efw.bpa.gov](http://www.efw.bpa.gov) or call to receive a copy.

## CALENDAR OF EVENTS

Conservation and Renewables Discount public meetings, **June 28, July 26 and Aug. 23**, 9 a.m. to noon, Room 122, BPA, 905 NE 11th Ave., Portland, Ore. Agenda and handouts are on the Web at [www.bpa.gov/Energy/N/](http://www.bpa.gov/Energy/N/)

Conservation as part of Augmentation effort public meetings, **June 28, July 26 and Aug. 23**, 1 to 4 p.m., Room 122, BPA, 905 NE 11th Ave., Portland, Ore. Agenda and handouts are on the Web at [www.bpa.gov/Energy/N/](http://www.bpa.gov/Energy/N/)

Stateline Wind Project scoping meetings, **June 14**, 6:30 to 9 p.m., Helix High School, 120 Main St., Helix, Ore.; **June 15**, 6:30 to 9 p.m., Touchet High School, 90 Champion St., Touchet, Wash.; **June 22**, 1 to 3 p.m., Room 470, BPA, 905 NE 11th Ave., Portland, Ore.

## CLOSE OF COMMENT

Tanner Electric Transmission Line — Preliminary EA, **June 19**

Stateline Wind Project — Scoping, **July 7**

EA: Environmental Assessment, EIS: Environmental Impact Statement, FONSI: Finding of No Significant Impact, ROD: Record of Decision

FOR MORE INFORMATION OR TO GET INVOLVED: The Journal is a monthly newsletter of the Bonneville Power Administration for customers and interested publics. To order documents or to be added to a mail list, call: 800-622-4520 or (503) 230-7334 (Portland). For questions/comments call: (503) 230-3478 (Portland) or 800-622-4519. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. Public Involvement, Internet, E-mail address [comment@BPA.gov](mailto:comment@BPA.gov), BPA home page: <http://www.bpa.gov>

